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AGENCY: Office of State Budget

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SUBJECT: Medical University of South Carolina Research Infrastructure Project

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The South Carolina Centers of Economic Excellence Review Board has certified the Medical University of South Carolina for \$77,322,692 in general obligation debt to be issued under the South Carolina Research University Infrastructure Act. This includes a recertification of the original \$36.072 million certified by the Review Board on May 23, 2005, and an additional \$41.25 million comprising the Medical University's full share of the general obligation debt. The Act requires the Review Board to certify that at least 50% of the cost of each research infrastructure project is being provided by private, federal, municipal, county or other local government sources. The Medical University research infrastructure project consists of the following aspects that were certified by the Review Board for funding or as part of the required match.

In support of the Charleston, Medical University Campus Phase:

- a) Construction by the Medical University of a 113,000 square foot mixed-use wet lab/dry lab research facility, known as the Drug Discovery Building, for a cost of \$61,504,400, to be funded with \$38,020,005 in state Research University Infrastructure Bonds and \$23,484,395 in federal and other funds, most of which provide a part of the required 50% match;
- b) Construction by the Medical University of a 90,000 square foot research facility, known as the Bioengineering Building, for a cost of \$58,250,000, to be funded with \$36,779,995 in state Research University Infrastructure Bonds and \$21,470,005 in federal and other funds, most of which provide a part of the required 50% match;
- c) Renovation and instrumentation of the various spaces in the Basic Sciences Building for the Pharmacology, Drug Discovery, Bioengineering and other programs, for a total cost of \$11,613,427, providing a part of the required 50% match;
- d) Construction of 870 spaces in the Bee Street parking garage to support the Drug Discovery and Bioengineering Buildings for a cost of \$4,561,346, providing a part of the required 50% match;
- e) Purchase of seven MRI, including upfit of rooms in Charleston Memorial Hospital for their installation, and purchase of Nuclear Magnetic Resonance Spectroscopy instrumentation for the Drug Discovery and Structural Biology programs at a total cost of \$2,644,100, providing a part of the required 50% match;

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- f) Enhancement of the animal laboratory infrastructure at the Children's Research Institute and the Hollings Cancer Center to support the Drug Discovery, Structural Biology/Bioengineering programs at a total cost of \$11,667,958, providing a part of the required 50% match;
- g) Upgrade and retrofit of facilities in the Clinical Sciences Building to accommodate research activities of the Pharmacology program at a cost of \$460,000, providing a part of the required 50% match; and
- h) Renovation and instrumentation of spaces in the Hollings Marine Lab for the Structural Biology program at a cost of \$8,057,527, providing a part of the required 50% match.

In support of the Greenville, Greenville Hospital System Campus Phase:

- a) Construction by the Greenville Hospital System of a 100,000 square foot research facility, known as the Greenville Hospital System Research and Education Innovation (REI) Center, at a cost of \$28,940,516, providing a part of the required 50% match;
- b) Upfit costs for the Greenville Hospital System Research and Education Innovation (REI) Center to be occupied by the Medical University, at a cost of \$4,172,000 and funded with \$2,500,000 in state Research University Infrastructure Bonds and \$1,672,000 in private funds, providing a part of the required 50% match;
- c) Services cost for the Greenville Hospital System Research and Education Innovation Center at a cost of \$7,367,722, providing a part of the required 50% match.

As part of the Greenville phase, MUSC will also lease approximately 13,373 square feet of space in the REI building from the Greenville Hospital System for 50 years for \$1.00 per year and share an additional 5,400 square feet for educational and clinical activities. The total cost of the Medical University research infrastructure project is \$199,238,996.

The Budget and Control Board is asked to approve the following: 1) approve the Medical University's research university infrastructure project with phases in Charleston and Greenville; 2) approve an increase to permanent improvement project H51-9773, Drug Discovery Building Construction, from \$45 million to \$61,504,400, including \$38,020,005 from state Research University Infrastructure Bonds; 3) approve the establishment of a permanent improvement project, H51-9796, Bioengineering Building Construction for \$6 million for A&E only in state

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Research University Infrastructure Bonds, toward a total project cost of \$58,250,000, to be funded with \$36,779,995 in state Research University Infrastructure Bonds and \$21,470,005 in federal and other funds; 4) approve the establishment of a permanent improvement project, H51-9797, Greenville Research Education Innovation Institute Interior Renovation, to be funded with \$2.5 million in state Research University Infrastructure bonds; and 5) authorize the Director of the General Services Division to approve the associated lease. The project was approved by the Joint Bond Review Committee at its meeting on January 24, 2008.

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BOARD ACTION REQUESTED:

Approve the Medical University of South Carolina's research university infrastructure project with phases in Charleston and Greenville, approve an increase to project H51-9773, Drug Discovery Building Construction, from \$45 million to \$61,504,400, approve the establishment of project H51-9796, Bioengineering Building Construction, for \$6 million for A&E only toward a total project cost of \$58,250,000, approve the establishment of project H51-9797, Greenville Research Education Innovation Institute Interior Renovation for \$2.5 million, and authorize the Director of the General Services Division to approve the associated lease.

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ATTACHMENTS:

Agenda item worksheet; Letter to Governor; Centers of Economic Excellence Review Board Recertification and Statement; Exhibit D Showing Cost and Match Components; Additional Annual Operating Costs for Projects